

The Michigan Association of Timbermen

Testimony on HB 4969, 4970 & 5302 Michigan Association of Timbermen

2-7-12

By Warren Suchovsky

Mr. Chairman and Members of the Natural Resources, Tourism and Recreation Committee we appreciate this opportunity to come before you relative to an issue of great importance to private non-industrial forestland owners in Michigan, forestland taxation.

The Michigan Association of Timbermen supports this package of bills pertaining to the Qualified Forest Program.

Michigan's timber supply comes mainly from four ownership classes: federal, state, industry and private non-industrial. The private non-industrial sector holds about 60% of the state's timber inventory. State assistance to this class of ownership has been greatly under emphasized for many years.

One of the major forest health issues nation-wide and in Michigan is loss of forestland to other uses. High property taxes are a main driver of this conversion. We feel that by reducing the property tax obligation more landowners would be motivated to retain their forestland for productive forest management practices including increased harvest opportunities. In exchange for a small property tax exemption the people of the State of Michigan will benefit by increased economic activity in the forest product industry, better utilization of forest resources, improved wildlife habitat and a healthier sustainable forest.

The current Qualified Forest Program (QFP) has not lived up to enrollment expectations. Only about 70,000 acres have been enrolled since it's inception about a half dozen years ago. By now close to a million acres should have been enrolled. We believe that a couple of major deterrents were the exclusion of buildings and a very punitive recapture formula. Additionally, the program did not have adequate provisions conveying responsibility to any state agency for oversight and periodic monitoring to ensure that management plan activities were being adhered to and timber was in fact being put on the market and/or the quality and quantity of timber was being improved. There were reporting requirements but little enforcement.



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